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170919Z Sep 03

UNCLAS KATHMANDU 001822

SIPDIS

SENSITIVE

DEPT FOR SA/INS, S/CT, AND DS/IP/SA  
ISLAMABAD FOR AMBASSADOR POWELL  
LONDON FOR POL/GURNEY  
NSC FOR MILLARD

E.O. 12958: N/A

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SUBJECT: NEPAL: MAOISTS DEMAND MONEY FROM COCA-COLA,  
THREATEN THE COMPANY

1. (U) This cable contains business sensitive information and should be handled accordingly.

2. (SBU) On September 15, Maoists resumed extortion demands of Coca-Cola in Nepal. Coca-Cola has investments valued at USD 30 million in the country in the form of two bottling plants, one in Kathmandu and one in Chitwan District (southwest of Kathmandu). The most recent demand is for USD 270,000 and has a firm deadline of 30 September. The demand has been communicated to the company through site visits at both plants and phone calls to the country manager, and the two plant managers.

3. (SBU) Post has discussed the security situation with Coca-Cola regional managers in Bangkok and the regional officer for corporate security, presently on travel in Vietnam. The Coca-Cola regional office is particularly concerned at the personal threats received by its three local managers. RSO and PolOff reported on the Embassy's recent letters requesting the Home Secretary, the Inspector General of the Civil Police, and the Inspector General of the Armed Police Force to provide extra checkpoints 100 meters from Coca-Cola's two plants. (Note: To date, the Embassy has not received a response on these requests. End note.) Coca-Cola is reviewing next steps carefully, including a possible decision to suspend operations in Nepal. If the company is forced to shutdown, 400 employees will lose their jobs and the Government of Nepal will lose one of its largest taxpayers.

4. (SBU) Comment: Post is aware that nearly all Nepalese firms have received extortion demands. However, Coca-Cola is one of the few companies that have not paid.

MALINOWSKI